

Message Text

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PAGE 01 BOGOTA 05093 022220Z
ACTION ARA-10

INFO OCT-01 ISO-00 SP-02 USIA-15 AID-05 EB-07 NSC-05
EPG-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00
COME-00 FRB-01 INR-07 NSAE-00 XMB-04 OPIC-06
LAB-04 SIL-01 PA-02 PRS-01 H-02 L-03 /099 W
-----022225Z 044305 /70

P 022037Z JUN 77
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC PRIORITY 1847

UNCLAS BOGOTA 5093

E.O. 11652: N/A

SUBJ: COLOMBIAN FOREIGN EXCHANGE CONTROL

REF: A. BOGOTA 4418
B. BOGOTA 4915

AS FOLLOWUP TO MEGELLAS- VALDEZ/WEINBERG CONVERSATION DURING
PANAMA CONFERENCE ON THE ABOVE ISSUE, FOLLOWING MAJOR DEVE-
LOPMENT HAS SINCE OCCURRED.

1. ON 5/26/77, LOCAL NEWSPAPERS DESCRIBED AND PUBLISHED
A NEW MONETARY BOARD RESOLUTION (NO. 32) WHICH INCREASES THE
DISCOUNT FROM 10 PER CENT TO 15 PER CENT WHENEVER IMMEDIATE
CONVERSION OF DOLLARS TO PESOS IS UNDERTAKEN AND ALSO EXTENDS
THE REDEEMABLE PERIOD FOR OBTAINING HIGHEST LEGAL RATE-OF-
EXCHANGE (CURRENTLY 36.50 : 1) FROM 30 DAYS TO 90 DAYS.
THIS NEW STEP ACCENTUATES THE SERIOUSNESS OF THAT DESCRIBED
IN REFERENCE A CONCERNING THE EFFECT ON THE AID PROGRAM IN
COLOMBIA.

2. MISSION HAS NOT YET RECEIVED AN ANSWER TO EMBASSY'S
NOTE DELIVERED TO THE FOREIGN OFFICE NOR THE USAID'S LETTER
TO MINISTER OF FINANCE CONCERNING THE NEW EXCHANGE REGULATIONS.
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PAGE 02 BOGOTA 05093 022220Z

(SEE USAID LETTER QUOTED IN REFERENCEA. USAID DIRECTOR
HAS BEEN UNABLE TO MEET WITH MINISTER OF FINANCE DUE TO
MINISTER'S ATTENDANCE OF BID CONFERENCE IN GUATEMALA THIS
ENTIRE WEEK.

3. USAID IS CONTINUING ITS EFFORTS TO SEEK A COMMON STANCE
AMONG THE INTERNATIONAL INSTITUTIONS (IBRD, IDB, UN, ETC.).

HOWEVER WE RECENTLY CONFIRMED IBRD HAS UTILIZED THE PURCHASE OF CERTIFICATES OF DEPOSIT TO MAKE DISBURSEMENTS TO TWO IMPLEMENTING INSTITUTIONS INCLUDED IN AID LOAN PORTFOLIO (INSFOPAL AND CFP UNDER LOANS 076 AND 074 RESPECTIVELY). THIS WAS DONE UNDER PROVISIONS OF PREVIOUS RESOLUTION (NO. 25) SPECIFYING A 10 PER CENT DISCOUNT AND 30 DAY DEMPTION PERIOD.

LIKewise THE USAID HAS MADE RECIPIENT IMPLEMENTING AGENCIES FULLY AWARE OF THE CONSEQUENCES RESULTING FROM THE NEW RESOLUTION SHOULD A FAVORABLE SOLUTION NOT BE FORTHCOMING. USAID DIRECTOR HAS MET WITH MINISTER OF HEALTH, MAJOR BENEFICIARY OF AID LOANS AND IS MEETING WITH OTHER RECIPIENTS OF AID FUNDS. SEVERAL GOC INSTITUTIONS HAVE ALREADY WRITTEN THE MINISTER OF FINANCE CONCERNING THIS ISSUE AND ITS IMPACT ON THEIR PROGRAMS.

4. DUE INCREASING AID LOAN DISBURSEMENT REQUIREMENTS, PROBLEM WILL INTENSIFY IF EXEMPTION NOT GRANTED OR OTHER SOLUTION NOT OTHERWISE FORTHCOMING.

5. ALTHOUGH THIS MESSAGE ADDRESSES LOAN DISBURSEMENT PROBLEM, WE EQUALLY CONCERNED ABOUT PESO CONVERSION FOR GRANTS AND MISSION OPERATIONAL COSTS.

6. USAID WILL CONTINUE TO ADVISE AID/W OF MAJOR DEVELOPMENTS REGARDING THIS ISSUE.
DREXLER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Sent Date: 02-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
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Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Event:
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Disposition Reason:
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